

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

In re:)
)
KENTUCKIANA MEDICAL CENTER, LLC) Chapter 11
)
Debtor.) Case No. 10-93039-BHL-11
)

**DECLARATION OF MATTHEW E. MCCLINTOCK IN ACCORDANCE
WITH SECTION 1103 OF THE BANKRUPTCY CODE AND
RULE 2014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

I, Matthew E. McClintock, an attorney, hereby declare as follows:

1. I am an attorney at the law firm of K&L Gates LLP (“K&L Gates”), located at 70 West Madison Street, Suite 3100, Chicago, Illinois, 60602-4207. I am admitted to practice in, and am a member in good standing of, the bars of the State of Illinois, the United States Courts of Appeal for the Second and Seventh Circuits, and the United States District Courts for the Northern, Central, and Southern District of Illinois.

2. I make this declaration in support of the *Application for Order Authorizing Official Committee of Unsecured Creditors to Retain and Employ K&L Gates LLP as Lead Counsel* (the “*Application*”), which application is made in accordance with section 1103 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”).

3. The Official Committee of Unsecured Creditors (the “*Committee*”) appointed in the above-captioned case desires to retain and employ K&L Gates as its lead counsel, pursuant to section 1103 of the Bankruptcy Code and Bankruptcy Rule 2014. K&L Gates has extensive experience and knowledge in the fields of corporate reorganization and bankruptcy law, and I believe that K&L Gates is particularly well qualified for the type of representation which is

required by the Committee. K&L Gates is a law firm with an extremely broad-based practice including substantial expertise in the many areas of the law that may generate issues in this case. Accordingly, K&L Gates possesses the requisite expertise and background to handle matters that are likely to arise in this bankruptcy case.

4. K&L Gates contemplates that it will provide a full range of services required to represent the Committee in the course of this case, which may include:

- (a) advising the Committee on all legal issues as they arise;
- (b) representing and advising the Committee regarding the terms of any sales of assets or plans of reorganization or liquidation, and assisting the Committee in negotiations with the Debtor and other parties;
- (c) investigating the Debtor's assets and pre-bankruptcy conduct;
- (d) preparing, on behalf of the Committee, all necessary pleadings, reports, and other papers;
- (e) representing and advising the Committee in all proceedings in this case;
- (f) assisting and advising the Committee in its administration; and
- (g) providing such other services as are customarily provided by counsel to a creditors' committee in cases of this kind.

5. Subject to the Court's approval, K&L Gates will charge for its legal services on an hourly basis, billed in tenth-of-an-hour increments, in accordance with its hourly rates in effect on the date that such services are rendered. The billing rates for attorneys which will be utilized for the 2010 calendar year range from approximately \$200 per hour for new associates to \$990 per hour for senior partners. Time devoted by legal assistants for the 2010 calendar year will be charged at billing rates ranging from approximately \$65 to \$370 per hour. These hourly rates are subject to periodic adjustments to reflect economic and other conditions. K&L Gates will maintain detailed records of any actual and necessary costs incurred in connection with the aforementioned legal services. K&L Gates intends to apply to the Court for

compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code and the Bankruptcy Rules and any orders entered by the Court governing interim compensation of professionals.

6. The names, positions, and hourly rates to be utilized for the 2010 calendar year of the K&L Gates professionals presently expected to be primarily responsible for providing services to the Committee are Matthew E. McClintock – associate (\$385/hour); Jeffrey M. Heller – associate (\$300/hour); and Teresa Gomez – paralegal (\$200/hour). In addition, from time to time, it will be necessary for other K&L Gates professionals to provide services to the Committee.

7. Neither I, K&L Gates, nor any partner or associate thereof, insofar as I have been able to ascertain, and other than as disclosed below: (a) hold or represent any interest adverse to the Debtor, its estate, or any class of its creditors; or (b) represent any other entity in connection with this case having an interest adverse to the Committee. Further, insofar as I have been able to ascertain, other than in connection with its representation of the Committee in this case, K&L Gates has no connection (connection being defined as a biological or contractual relationship) with the Debtor, its creditors, or any other party in interest herein, or their respective attorneys or accountants, except as set forth below. Furthermore, I believe K&L Gates is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code.

8. Specifically, in reaching this conclusion, my staff has searched K&L Gates’s computerized “conflicts” database for: (i) the Debtor; (ii) the Debtor’s counsel and other professionals; (iii) the chief restructuring officer appointed in the Debtor’s case; (iv) all creditors set forth on the Debtor’s creditor matrix as of October 7, 2010, as provided by the Debtor’s counsel; and (v) the Debtor’s secured creditors, as provided by the Debtor’s counsel.

9. My staff has informed me that, as disclosed in Schedule A hereto, K&L Gates currently represents and previously has represented certain creditors and affiliates, subsidiaries, joint ventures, and/or entities associated with creditors of the Debtor in matters unrelated to this bankruptcy case. These results are based on K&L Gates's search of the names of the parties set forth above and the names of those respective corporate parents that K&L Gates has been able to identify based on readily-available and customarily-searched information.

10. My staff has further informed me that attorneys in K&L Gates's Washington D.C. office represent First Tennessee Bank, N.A., the Debtor's senior secured creditor, in matters unrelated to this bankruptcy case. While investigation continues, attorneys in K&L Gates's Raleigh, North Carolina office may also represent SunTrust Bank, an entity that appears to be a secured creditor of the Debtor, in matters unrelated to this bankruptcy case. In order to represent the Committee in the most efficient and cost-effective manner possible, the Committee was already planning to retain Valenti, Hanley & Robinson PLLC ("*Valenti*") as local counsel to, among other things, appear on behalf of the Committee at hearings where an appearance by lead counsel is not deemed necessary, and generally to advise the Committee with respect to local custom and practice. In light of the representations set forth above, the Committee also anticipates using Valenti on all matters in which the Committee is directly adverse to either First Tennessee Bank, N.A. or SunTrust Bank. K&L Gates believes that the Committee's retention of two law firms will not result in any duplication of effort, and that K&L Gates will effectively represent the Committee in all other matters discussed in the Application and this Declaration.

11. Additionally, K&L Gates understands that the Committee desires to retain The Arlow Group, Ltd., as its financial advisor (subject to Court approval). K&L Gates has represented (and continues to represent) The Arlow Group, Ltd. individually, and The Arlow Group, Ltd. is or has been a trustee, retained as a professional, or otherwise related to clients in

certain other matters, unrelated to this chapter 11 case, in which K&L Gates represents The Arlow Group, Ltd., its principal, or parties it is affiliated with or retained by.

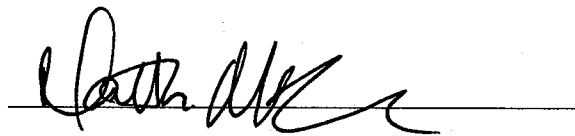
12. K&L Gates is conducting a continuing inquiry to ascertain whether there exists any situation which would affect K&L Gates's status as a "disinterested person" or its ability to represent the Committee under section 1103 of the Bankruptcy Code. If additional disclosure is required, I will file a supplemental declaration with this Court.

13. K&L Gates has not entered into any agreement to share compensation as may be awarded to it for services rendered in this case, except as permitted under section 504(b) of the Bankruptcy Code.

14. For the reasons set forth above, I believe that I and the other attorneys employed by K&L Gates are well qualified to act as counsel for the Committee.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 22, 2010



Matthew E. McClintock
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Schedule A

<u>ENTITY SEARCHED</u>	<u>K&L GATES REPRESENTATIONS IN MATTERS UNRELATED TO THE BANKRUPTCY CASE</u>
First Tennessee Bank, N.A.	First Tennessee Bank, National Association (current)
SunTrust Bank	SunTrust Bank (current)
Biotronik Inc.	Biotronik Vertriebs Gmbh & Co. KG (current)
Gordon Food Service	Serves as committee member in unrelated case in which K&L Gates is committee counsel (current)
Johnson & Johnson Finance Corp.	Johnson & Johnson (current)
Laboratory Corp. of America Holdings	Laboratory Corp. of America Holdings (current)
Medtronic USA Inc.	Medtronic Inc. (current) Medtronic Vascular, Inc. (current)
Olympus America Inc.	Olympus America Inc. (current)
Quest Diagnostics	Quest Diagnostics, Inc. (current)
Roche Diagnostics Corp.	Roche Diagnostics GmbH (pending) Roche Laboratories Inc. (current)
Siemens Medical Solutions USA Inc.	Various Siemens affiliated entities (previous and current)
St. Jude Medical Inc.	St. Jude Medical, Neuromodulation Division (current)
Vaco Resources; Vaco Arizona, LLC	Vaco Technology Services LLC (current)
3M	3M Company (previous)
Boston Scientific Corp.	Boston Scientific Medizintechnik GmbH (previous)